IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH.

I.T.A. No.314 of 2005
Date of decision: 01.08.2006

The Commissioner of Income Tax, Jalandhar-I

---Appellant

Vs.

Shivalik Kshetriya Gramin Bank Ltd.

-----Respondent

CORAM:- HON'BLE MR JUSTICE ADARSH KUMAR GOEL
HON'BLE MR JUSTICE RAJESH BINDAL

Present: Dr. N.L. Sharda, Advocate
for the appellant.

ORDER:

It is stated that S.L.P. arising out of the judgment of this Court in ***Commissioner of Income Tax Vs. Nawanshahar Central Co-operative Bank Ltd***. (2003) 263 ITR 320 has been dismissed. In the said judgment, the Court held that deduction under Section 80P(2)(a)(i) of the Income Tax Act, 1961 (for short 'the Act') on account of interest income on Govt. Securities, Debentures and Bonds, Kisan Vikas Patras and C.D. of IDBI was admissible.

It was held that investment in the said bonds was statutory investment in accordance with Section 44 of the Punjab Co-operative Societies Act, 1961 and are thus eligible for deduction under Section 80-P(2)(a)(i) of the Act. The view taken by the Tribunal is in accordance with the above judgment of this Court.

Accordingly, this appeal is dismissed.

(ADARSH KUMAR GOEL)
JUDGE

August 01, 2006
ashwani

(RAJESH BINDAL)
JUDGE